

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF VERMONT**

ALICE H. ALLEN, et al.,

Plaintiffs,

v.

**DAIRY FARMERS OF AMERICA, INC.,
DAIRY MARKETING SERVICES, LLC,
and DEAN FOODS COMPANY,**

Defendants.

Civil Action No. 5:09-CV-00230

**DECLARATION OF REG CHAPUT IN SUPPORT OF MOTION TO INTERVENE AND
OBJECTION TO APPROVAL OF PROPOSED CLASS SETTLEMENT**

I, Reg Chaput, make the following declaration based upon personal knowledge of the matters set forth here.

1. I have been an active dairy farmer since 1979. I currently own and operate a farm in North Troy, Vermont with my brother Michael Chaput. The farm operates under the name Chaput Family Farms, which was formed in 1991, when my father Leo, Michael and myself formed a partnership. My family has been in dairy farming for 2 generations and my father began farming in 1956.

2. When I began farming in 1979, I was milking approximately 40 cows. Now, we currently milk approximately 960 cows and maintain a total of 1875 livestock. We produce approximately 1.8 million pounds of milk per month and farm 1800 acres.

3. We are a member of the Dairylea Cooperative and have been since 1997. 100% of our milk goes through Dairylea and I believe is pooled in Federal Order 1. Between 1991 and 1997, the Farm was a member of the St. Albans Cooperative. Prior to forming our partnership in

1991, when I was running my own farm, I did not belong to any cooperative and sold my milk to Garelick Farms.

4. On occasion, I have served as a representative of Dairylea at meetings held by the Green Mountain Dairy Farmers Cooperative Federation and the Vermont Dairy Promotion Council.

5. After having been an independent farmer, I prefer to be in a coop for several reasons. First, I believe that coops work for dairy farmers and have raised the bar for fair treatment of farmers. In my experience, coops are operated in an open manner and members have the opportunity to get more involved if they want to closely monitor what is going on. This gives me a high level of confidence in the operations of the coop.

6. I like the fact that Dairylea my coop works on behalf of dairy farmers in lobbying at the state and national level and work with the Market Administrator to make changes that help dairy farmers.

7. Also, by pooling resources, coops offer a number of valuable services including financial programs, insurance, and quality control. The ability to receive these services is part of the reason why we chose to join Dairylea instead of being independent or joining a different coop.

8. Very important to me is that by belonging to a coop I have security that we will have a market for our milk at a competitive price. When independent, I had less bargaining power for my milk.

9. I have seen Dean's Proposed Settlement with the Plaintiffs in this lawsuit and do not believe that the Plaintiffs and their attorneys represent my interests. Dean's proposal to purchase up to 60 million pounds of milk a month outside of DMS will hurt coops. As I

understand it, Dean will decide what the "competitive market price" is at which it offers to buy this 60 million pounds of milk. In other words, there is a strong potential that Dean will push the market hard and take business from the coops.

10. If Dean gets to decide what it believes is the "competitive market price" for milk, I do not see how Dean would ever announce a price that is more than what it currently pays DMS. If anything, Dean could probably offer lower prices than what it pays DMS, which in turn would drive down the overall price of milk.

11. On the other hand, DMS will have to find customers for that 60 million pounds of milk a month, a substantial quantity. I am concerned about whether DMS will be able to find a new home for that much milk without having to cut its prices and about whether having to make big changes in where our milk is going will lead to higher hauling costs and less net money for all of us.

12. It won't take much of a price decline for us to lose all of the supposed benefits of the cash Dean promises to pay under the terms of the Proposed Settlement. I understand that Plaintiffs say an "average farmer" will get about \$2500 from the Proposed Settlement. Our farm is bigger than the average farm in my area and produces approximately 20 million pounds of milk annually for an annual gross revenue of about \$4,000,000. It is hard to see how the Plaintiffs figured \$2500 for an average farmer, but if that number is right, I might receive \$8-10,000 which is a tiny fraction of my revenue and could be easily offset by a market decline of as little as 5-6 cents/cwt where milk is currently priced around \$16-\$18/cwt.


13. I do not see how the proposed settlement will benefit us. The proposed settlement negotiated with Dean takes milk sales away from dairy farmers like me who work through DMS and gives those sales to other dairy farmers. The settlement pits dairy farmer

against dairy farmer with the potential to drive prices down making us all suffer regardless of whether we participate in the settlement or not.

14. We choose to sell our milk through a cooperative and DMS because we believe that coops working together through DMS helps dairy farmers pool our resources and get a competitive price for our milk at a lower cost.

15. I have serious concerns as to whether the plaintiffs and their lawyers are looking out for my interests and the interests of dairy farmers like me who belong to coops and market their milk through DMS. It seems that they would not have agreed to this settlement if they understood the negative impacts that it will cause.

I declare under penalty of perjury that the foregoing is true and correct and that this Declaration was executed on January, 17, 2011, in North Troy, VT.

 / Chaput Family Farms
Reg Chaput